

SUPPLEMENTAL

COUNCIL AGENDA: 3-9-04  
ITEM: 10.2

## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Del Borgsdorf

**SUBJECT:** STATUS REPORT ON  
GETTING FAMILIES BACK  
TO WORK

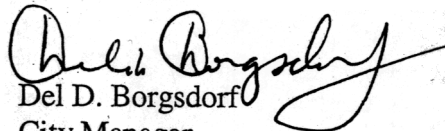
**DATE:** March 3, 2004

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### REASON FOR SUPPLEMENTAL

Due to a clerical error, Attachment A in the original memo (the One List) was presented in numerical order, rather than listing the Council's four highest priority strategic initiatives first, as was stated in the memorandum.

In order to ensure that Councilmembers have information on these four initiatives easily accessible, pages from the One List pertaining to the top four initiatives are attached to this supplemental memorandum.

  
Del D. Borgsdorf  
City Manager



## Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact

Initiative Champion: Jim Holgersson, Kim Walesh

**Measures:** new/rehabilitated retail space in downtown areas, jobs generated through new construction projects and leasing of existing space, increase in sales tax from businesses receiving assistance from the City. (from END CSA Outcome 1: Strong Economic Base)

## Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
3.1	Strengthen our relationship with San Jose State University's academic programs that produce employees for growing industries and occupations. (source: 9/16/03, Mayor Gonzales memo)	OED/SVWIN, RDA (Kim Walesh/Jeff Ruster, Ru Weerakoon)	SVWIN is partnering with SJSU to understand and support hospitality industry hiring plans, training needs, and career path opportunities. RDA is collaborating with SJSU on bioscience education related to the new Bioscience Incubator and Innovation Center.
3.2	Explore partnership opportunities with SJSU for a multiuse sports venue on the South Campus that could serve students and residents, as well as meet needs of amateur and professional sports teams. (Bring back to City Council a report offering possible partnership opportunities with SJSU and our amateur sports teams on or before December 16, 2003. Provide status in 2004.) (source: 9/30/03, Mayor Gonzales memo)	CMO/OED, RDA, PRNS DOT (Jim Holgersson, Paul Krutko, Jim Ortbal, John Weis, Sara Hensley)	An interdepartmental team and meetings with SJSU have begun a process for exploring the opportunities of a major amateur sports facility. Both San Jose State and PRNS programming are being considered. O&M, programming and capital funding will be based on existing funding and cost recovery to the extent possible.
3	Strengthen our relationship with regional universities. (source: 9/16/03, Mayor Gonzales memo)	OED/Mayor's Office (Kim Walesh/Jennifer Malutta)	Recommend that the priority for the next 18 months be stronger, focused collaboration with San Jose State University. Recommend that the City work with other regional universities in an opportunistic manner (e.g., successful collaboration with Bay Area Universities to win the International Symposium of Electronic Arts) and that City participate in regional community college alliances for workforce training as appropriate.
II.	Economic Projects	Lead/Team	Progress Milestones
3.4	Convene retreat of senior professional leadership of SJSU and the City to identify high-priority projects for collaboration. Share recommendations with Mayor, Council, and SJSU President for review and approval.	CMO-OED/RDA, DOT, PRNS (Jim Holgersson-Kim Walesh/Del Borgsdorf, Paul Krutko, John Weis, Jim Helmer, Sara Hensley)	Planning to conduct a work session in March of senior staff from SJSU and City of San Jose to scope out areas for collaboration in 2004-2005. Recommended areas for collaboration will be brought back to Mayor, Council, and University President for review.
3.5	Work with SJSU to identify Downtown sites for University-related activities that would benefit from public involvement, especially those related to art, design, and culinary arts.	RDA/OED, DOT (Bill Ekern/Kim Walesh, Abi Maghamfar)	Will confirm viability of this idea in work session identified in 3.4 above.
3.6	Partner San Jose's Bioscience Incubator and Innovation Center with SJSU's Biotechnology training initiative to expand San Jose's bioscience workforce, training opportunities and lab capacity.	RDA (Ru Weerakoon)	Several partnership opportunities are in consideration. Funding at SJSU will determine which projects move forward. At a minimum, SJSU will provide training to incubator start-up firms. Agency consultant will develop a training needs analysis in April 2004 which will be the basis of the development of a 12-month training program.

## Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact

## Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
3.7	With SJSU and other partners, work to make Downtown more "hip" and attractive to the young University population, including the future on-campus residents.	RDA (Sharon Landers, Kelly Kline, Jim Schutz)	Sought out a retail tenant that would meet SJSU students' needs. Introduced owner of Artist & Craftsman to SJSU's School of Art & Design department heads. Now professors send the supply list to A&C so that the store can have requested materials in stock. A&C has established a community bulletin board which is most frequently used by students.
3.8	Help market the capabilities of SJSU's Entrepreneurship Center and Northern California SBDC Lead Center through San Jose's Entrepreneur Center and other mechanisms.	RDA/OED (John Weis/Richard Keit, Kim Walesh)	Contract with SJSU for \$200,000 being prepared for joint Board/Council action. SBDC has selected SJSU for their Northern California center.
3.9	Explore opportunities for university/city partnerships in Building Strong Neighborhoods. A special interest is SNI outcomes/performance assessment.	CMO/RDA, PRNS (Jim Holgersson/John Weis, Kip Harkness, Cynthia Bojorquez)	Will confirm opportunities in March work session (see tactic 3.4 above)

# Evolve and Position Downtown San Jose As A Unique Creative & Cultural Center For Silicon Valley

Initiative Champions: Harry Mavrogenes, Kim Walesh

**Measures:** new/rehabilitated retail space Downtown, jobs generated through new construction projects and leasing of existing space Downtown, increase in sales tax from Downtown businesses receiving assistance from the City, convention delegate spending (from END CSA Outcome 1: Strong Economic Base); economic impact from arts and cultural visitors (new measure)

## Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
4.1	Create flexible pricing for the Convention Center. (source: 9/19/03 Del Borgsdorf memo - Just Did It #1)	CAE (Jim McBride)	<b>Complete.</b> The new fee structure is more responsive to the business community, specifically to event promoters from out of town, and allows the facilities to be more competitive in this highly competitive convention market.
4.2	Streamline special event permit requirements and process. (source: 9/16/03 Mayor Gonzales memo-Section I-12)	PRNS/RDA, DOT, Police, CAE/OCA, CAO, Finance, Planning	Completed a new draft "One Start Event Application." Identified ways to reduce or eliminate delays in invoicing.
II.	Economic Projects	Lead/Team	Progress Milestones
4.3	Expand the Convention Center and upgrade its quality to increase its capabilities as a world-class meeting place.	CMO/OED, Con Vis (Mark Linder/Paul Krutko, Dan Fenton)	Propose doubling the size of the Convention Center by building a temporary structure.
4.4	Collaborate across departments and community partners to quickly and flexibly encourage use of Downtown San Jose as a large "virtual convention center." (This project, "Access San Jose," is a One-Voice project.)	OED/CAE, ConVis, DOT, RDA, PBCE, Public Safety (Paul Krutko/Jim McBride, Dan Fenton, Jim Helmer, Jim Schutz, Joe Horwedel, Scott Knies)	Business plan and first draft of operation manual completed. Regulatory review is underway.
4.5	Help enable the scaling up of existing museums from mid-tier to big-city size, facilitating private and philanthropic dollars, in order to attract more local, regional, and national visitors.	RDA/OED, DOT, Art Museum, Tech Museum (Sharon Landers/Bill Ekern, David Nieh, Kim Walesh, Jim Helmer, Dan Keegan, Peter Giles)	Initial projects: create SJMA affiliate "International Center for Art and Technology" in old MLK library, identify sites for long-term vision of expanded SJMA, explore ways to use Parkside Hall for occasional blockbuster Tech Museum Exhibits with high economic impact.
4.6	Help facilitate the addition of new cultural, entertainment, and athletic attractions Downtown.	RDA (Bill Ekern, Jim Schutz, Ruth Shikada)	December 2003: Dimensions site RFP released--specifically asks for consideration of performance theatre in proposals. Opportunity for new Downtown Music Hall being evaluated by CMO and RDA.
4.7	Help facilitate the creation of permanent homes for existing arts institutions, and the retention and expansion of existing 'boutique-sized' arts spaces.	RDA (Bill Ekern, Jim Schutz, Ruth Shikada)	Helped facilitate creation of permanent, expanded home for the Quilt Museum on South First Street. Are helping to facilitate permanent home for the Institute of Contemporary Art.



## Evolve and Position Downtown San Jose As A Unique Creative &amp; Cultural Center For Silicon Valley

## Implementation Actions

II.	Continued-Economic Projects	Lead/Team	Progress Milestones
4.8	Host an international-caliber Art and Technology Festival every two years, beginning in Summer of 2006.	OED/ CAE (Kim Walesh/Jerry Allen, Jim McBride)	In December 2005, won the international competition to host the International Symposium of Electronic Arts (ISEA) in August of 2006-involved collaboration with SJSU and other Bay Area institutions. Engaged internationally renowned new media curator Steve Dietz to serve as Director of the ISEA and San Jose Art and Technology Festival.
4.9	Promote Downtown as an entrepreneurial hotspot with rich amenities for and resources for companies in the "start-up" (1 to 10 employees) and "grow-up" (10-100 employees) phases of development.	RDA/OED (Sharon Landers, Kim Walesh/Jim Schutz, Ruth Shikada, Ru Weerakoon, Alison Novak, Nanci Klein)	Office Opportunities E-letter sent to venture capitalists and tech start-ups featuring available spaces, as well as information on Downtown's amenities & quality of life. Identified presence of 100 small tech companies in the Downtown. Next steps: developing information materials that position Downtown as creative center where entrepreneurship, arts/entertainment, restaurants/retail, and education uniquely come together; identifying potential incentives; and outreach to property owners and brokers.
4.10	Retain and attract business, professional, and creative services companies Downtown.	RDA (Jim Schutz/Ruth Shikada, Ru Weerakoon)	Conducted interviews with existing companies to understand their perception of positives & negatives. Developed list of residential neighborhoods and associated schools, as well as a list of yoga studios and employee amenities near Downtown in response to specific employer questions.
4.11	Use incentive funds to encourage investment in unreinforced masonry buildings on key blocks in the Downtown Core.	RDA (Bill Ekern/Jim Schutz, Ruth Shikada)	Program launched in January 2004.
4.12	Showcase ethnic cuisine from throughout San Jose/Silicon Valley in Downtown.	RDA (Kelly Kline)	2003: Executed leases with diverse restaurant tenants from other neighborhoods in San Jose, such as Lee's Sandwiches (Vietnamese sandwiches) and Bijan Bakery (bakery-French trained chefs).
4.13	Nurture locally owned businesses that bring day and night vibrancy to Downtown streets, including restaurants, cafes, art galleries, clubs/music venues, and businesses serving university students.	RDA (Jim Schutz/Ruth Shikada, Kelly Kline, Alison Novak, Edith Ramirez)	Examples of recent leases with locals in which RDA played a role: Back Bar, Circle-A, Hijinx Comics, Giza Hookah Lounge, News Stand Convention Center, Zoe, Bijan Bakery. Strategy includes both recruitment (collecting various business district directories for mailing lists (165 in list), visiting business districts (for ideas/contacts), and retention (helping existing retailers make new connections for joint marketing purposes, look for expansion sites, etc.).
4.14	Implement the plan for the SOFA creative district and for the Spartan Keyes artist-housing complex.	RDA/Housing (Mike Meyer, Leslye Corsiglia/Kip Harkness, Jim Schutz)	The Housing Department has evaluated the financial feasibility of a new artist live/work building, consistent with the Martha Gardens specific plan adopted by the City Council in December 2003, and expects to receive an application for funding for the project in March 2004.
4.15	Offer free WiFi service outdoors in Downtown. Develop a page for users that helps people connect intuitively to the major Web sites highlighting activities, events, and resources Downtown.	OED/RDA, Con Vis, (Kim Walesh/Peggy Flynn, Sharon Landers, Alison Novak, Paul Asper, Dan Fenton, Lupe Sanchez)	Launch event planned for March 11, 2004. Service created through corporate partnership with Cisco Systems and GNI, a Downtown startup.

## Evolve and Position Downtown San Jose As A Unique Creative &amp; Cultural Center For Silicon Valley

## Implementation Actions

II.	Continued-Economic Projects	Lead/Team	Progress Milestones
4.16	Continue efforts of the Downtown Marketing Collaborative to measure quantitative impact of event marketing, extend marketing messages throughout the network in cost-effective manner, and ensure consistency of overall Downtown marketing message.	OED/RDA, Con Vis, Downtown Assn (Kim Walesh/Peggy Flynn, Stacey Manley, Kelly Kline, Sharon Landers, Alison Novak, Paul Asper, Dan Fenton, Meli James)	Developed method for extending the "Downtown for the Holidays" marketing message across multiple organizations. Conducted quantitative survey of visitors to "Downtown for the Holidays" events to determine effect of marketing efforts.

## Support Start-Up and Growth of Local Businesses, Small and Large, in Tech as well as Non-tech Fields

Initiative Champions: Paul Krutko, John Weis

**Measures:** jobs generated through new construction projects and leasing of existing space, new/rehabilitated retail space in downtown areas, increase in sales tax from businesses receiving assistance from the City, funding made available to small businesses. (from END CSA Outcome 1: Strong Economic Base)

## Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
5.1	Engage venture capital community to promote San Jose's advantages as a location for start-ups. (source: 9/16/03)	Mayor/OED/RDA (Kim Walesh, Jennifer Malutta/Ru Weerakoon, Nanci Klein, Allison Novak, Sharon Landers, Jim Schutz, Ruth Shikada)	Mayor visit to Sand Hill Road is scheduled for March 30, hosted by Silicon Valley Bank. The approach is to increase San Jose's cachet with the venture-capital community and entrepreneurs as an attractive home for companies in the start-up (1 to 10 employees) and the "grow-up" (10 to 100) phases of development. Develop and promote a set of attributes attractive to these firms, especially in the Downtown.
5.2	Liberalize underwriting criteria for the Revolving Loan Fund (RLF) and Development Enhancement Special Funds (DESF) to make more loans available. (source: 9/19/03 Del Borgsdorf memo - Just Do It #5)	OED (Paul Krutko, Juan Vigil, Chris Coggins)	Completed.
5.3	Explore creation of a local preference policy to support local businesses. (source: 9/16/03, CAO given further direction on 12/16/03)	CAO/OED, PW, GSA, Finance (Rick Doyle, Brian Doyle/Paul Krutko, Dhez Woodworth, Katy Allen, Dave Clarke, Jose Obregon, John Alden, Mark Burton, Andy Heath)	On 11/4/03 City Council directed staff to examine the appropriate percentage for a preference and referred the issue to the Small Business Development Commission for review and comment. In November, 2003 the Small Business Commission reviewed the Council report. On 2/4/04, Development Cabinet reviewed the local preference options.
5.4	Implement tax relief to encourage investment in San Jose. Modify Industrial Land Use/Building & Structures Tax. (source: 12/16/03 (CAO directed to draft amendments to Bldg & Structures Constr. Tax-Ord. Pending))	OED/PBCE, CAO (Nanci Klein/Stephen Haase, Larry Wang, Brian Doyle)	Ordinance is being drafted to be heard by Council for first reading in March.
5.5	Provide a list of current regulations that may hinder business development or operations in San Jose, and criteria used to develop the list. (source: 9/30/03, final approval of criteria used to develop list was on 12/16/03)	PBCE/OED (Joe Horwedel/Nanci Klein, Paul Krutko)	Complete. List provided in staff's November 4, 2003 report and further discussed in December 16, 2003 report.
5.6	Report on progress revising regulations that may hinder business development or operations in March, 2004. (source: 11/4/03)	PBCE/OED (Joe Horwedel/Nanci Klein, Paul Krutko)	Criteria used to develop list was provided in the December 16th staff report. City Council has already enacted regulatory changes to streamline signs in business areas. Several Zoning Code changes to streamline the development review process will be coming forward to Council in February and March 2004.
5.7	Mayor and Council to facilitate stakeholder discussions regarding proposed Community Benefit Assessments and Community Impact Reports. (source: 9-16 Gonzales memo (Section I-1))	Mayor/CMO/Designated Council	This item has been referred to a task force not yet convened.
5.8	Initiate a Countywide conceptual agreement pledging support for a collaborative job retention strategy. (source: 9/30/03)	CMO/Designated Council (Council Member Cortese/Mark Linder)	Status report provided in December 16, 2003 report. Scoping work continues.
5.9	Encourage tax relief for small businesses (less than 3,000 sq. ft.) with both an emphasis on Downtown and NBDs. (source: 12/16/03 (staff directed to implement for 18 mos. suspension of Construction Excise Tax by 50%)) (source: 9/16/03 Mayor Gonzales memo - Section I-5C)	OED/PBCE, CAO (Nanci Klein/Stephen Haase, Larry Wang, Brian Doyle)	Attorney's office is engaged with OED to write the draft ordinance. Anticipated to be heard by Council by the end of March.

## Support Start-Up and Growth of Local Businesses, Small and Large, in Tech as well as Non-tech Fields

## Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
5.10	Investigate the use of multiple-prime contracting as a means to provide local, small business incentives for contractors, consultants, or vendors. (source: 9/30/03, staff provided review of referral on 11/4/03-no further Council action)	PW/GS (Katy Allen, Dave Sykes, Jose Obregon)	Complete.
5.11	Launch the Business Appreciation Initiative to ensure that the City has senior-level relationships with key companies to make companies feel welcome, connected, and appreciated and encourage retention and expansion. (This project is a "One Voice" project.) (Cross-listed with Strategic Initiative #15.)	OED/RDA, Mayor, PBCE, Airport, Public Works, Transportation, Housing (Kim Walesh, Sharon Landers/ Paul Krutko, Nanci Klein, Chris Coggins, Harry Mavrogenes, John Weis, Ru Weerakoon, Jim Schutz, Ruth Shikada, Jennifer Malutta, Ralph Tonseth, Katy Allen, Timm Borden, Jim Helmer, Leslye Corsiglia)	Developed Business Plan. Completed research to identify the "key account" companies.
5.12	Increase access to City contracting and purchasing opportunities through improvements to communication and the procurement process.	PW/OED, GSA, RDA (Katy Allen/Paul Krutko, Dhez Woodworth, Jose Obregon, Bill Ekern)	Outreach and process improvement efforts continue. Implementation of the tracking system is underway.
5.13	Increase access of small businesses to the Entrepreneur Center resources.	John Weis, Kim Walesh, Nanci Klein	Discussions held with E-Center to create space for NBD Associations. SJSU/SBDC to locate in E-Center.
5.14	Aggressively promote use of Enterprise Zone Tax Credits (set to expire in 2006) as a tool for reducing business operating costs.	OED/RDA (Yolanda Lee/Ru Weerakoon)	Have increased marketing and business outreach, including working with SJSV Chamber, small business chambers, Silicon Valley Workforce Investment Network, and other business associations. Over 47 businesses have received tax credit assistance since January.
5.15	Develop a strategy to increase private investment in businesses and real estate located in disadvantaged San Jose neighborhoods.	SVWIN (Jeff Ruster)	Developed request for proposal to create a Community Venture Capital Fund. Agency has sponsored work to establish Lenders for Community Development as local entity for new Tax Credit Program. Agency staff is serving on Board.



## Diversify San Jose's Economic Base and Preserve/Create Middle-Income Jobs

Initiative Champion: Ru Weerakoon, Jeff Ruster

**Measures:** Increase in sales tax from businesses receiving assistance from the City, funding made available to small businesses, % of Workforce Investment Act clients employed six months after initial placement, retention of existing land with "heavy" and "light" Industrial Plan designations. (from END CSA Outcome #1: Strong Economic Base); number of bioscience companies (new measure)

## Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
8.1	Complete the bio-tech Incubator/innovation center on a fast-track. (source: 9/19/03 CM Info Memo.)	RDA/Mayor (Ru Weerakoon/Jennifer Malutta)	Started construction in January 2004. Plan to open in June of 2004, and achieve 85% occupancy by 18 months. Have engaged specialized marketing and public relations consultant services.
8.2	Contact national site search firms to provide most current information about San Jose advantages and relative costs. (source: 9/19/03 CM Info Memo)	OED/RDA (Chris Coggins/Ru Weerakoon)	Staff has begun contacting national industrial search firms to provide the most up-to-date information about space availability, rental rates, workforce availability and City initiatives.
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04			
8.3	Improve career ladders and increase training funds for health care occupations. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Partnering with Goodwill, Santa Clara County, and the State to increase training funds for Allied Health careers.
8.4	Develop career ladders up from entry-level jobs in the retail industry and support employer training needs. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Initiated a pilot for employer-driven training in retail, including development of career paths up from entry-level jobs.
8.5	Encourage retraining of software workers whose jobs are at-risk. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Applied for \$3 million federal Department of Labor grant to retrain incumbent IT workers--in partnership with large and small employers.
8.6	Develop career ladders up from entry-level jobs in the hospitality industry and support employer training needs. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Partnering with San Jose State, are convening hotels and restaurants to understand and support their hiring plans, training needs, and career path opportunities.
8.7	Increase understanding of short- and long-term training needs in bioscience. (Cross-listed with Strategic Initiative #9)	SVWIN/RDA (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims/Ru Weerakoon)	Partnering with North Valley WIN to conduct focus groups to understand bioscience training needs and hiring opportunities. Meeting with representatives of local university/academic institutions and the local business community to better understand training needs and specialized programs.
8.8	Provide to City Council a research-based framework for evaluating potential conversions of employment lands to other uses; identify employment sub areas that should be protected and sub areas appropriate for a mix of uses. (Note: Inappropriate conversion of employment lands can threaten San Jose's base of middle-income jobs.) (Cross-listed with Strategy #11)	PBCE/OED, RDA, Housing (Laurel Prevetti/Stam Ketchum, Kim Walesh, Nanci Klein, John Lang, Ru Weerakoon, Rachel VanderVeen)	Consultant report released February 5. Council consideration of Industrial Conversion Framework prepared by staff tentatively scheduled for March.